

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
CITY OF SAN FERNANDO OVERSIGHT BOARD**

**CITY OF SAN FERNANDO
CITY COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340**

Wednesday, September 26, 2012

10:00 a.m.

AUDIO FOR THE ENTIRE MEETING (12-4609)

Attachments: [Audio](#)

I. CALL TO ORDER

Chair Judith Frank called the meeting to order at 10:03 a.m.

II. ROLL CALL

Ivonne Umana, Oversight Board Staff, called the roll.

**Present: Chair Judith Frank, Vice Chair Federico Ramirez,
Board Members Robert Moran, Jerry Ramirez,
Jamaar Everett and Edgar Arroyo**

Absent: Board Member Monte Perez

III. ADMINISTRATIVE MATTER

1. Self-introduction of newly appointed Oversight Board member. (12-4469)

Jamaar Everett, County of Los Angeles, Office of Education appointee provided to the Oversight Board a brief self-introduction.

IV. DISCUSSION

2. Discussion on the Housing Funds Due Diligence Review (DDR) report as prepared by an independent Auditor; open the forum for public comment session on the DDR for low and moderate - income housing funds pursuant to California Health and Safety Code Section 34179.6.; and set Thursday, October 11, 2012 for final approval. (12-4381)

Al Hernandez, City Administrator, presented a staff report pertaining to the draft Due Diligence Review (DDR) report and responded to questions posed by the Oversight Board. During his presentation, Mr. Hernandez informed

the Oversight Board that the audit was conducted by the firm Eddie & Payne LLP. In brief, the audit concluded that the City of San Fernando had some assets considered fixed assets and not liquid for the purpose of cash equivalents to be remitted to the County of Los Angeles for the taxing entities. The audit found liquid assets of about \$2,274 of which the auditors agreed the money can be used to help offset the cost of the audit conducted by Eddie & Payne. Mr. Hernandez reminded the Oversight Board Members that \$15,000 was noted under ROPS 3 for the DDR with an actual letter engagement stating not to exceed \$16,500 there was about \$1,500 possible overage and determined that \$2,500 can offset that possible overage, therefore, Under Exhibit 1 - 'Amount to be remitted to County for distribution to taxing entities is Zero (0). This balance was determined after the audit review all Successor Agency assets and deducted the fixed assets which were the senior housing and loans for first time home buyers and outstanding loans which are fixed third party agreements.

On motion by Chair Frank, by Common Consent, there being no objection (Board Member Perez being absent), the Oversight Board recessed at 10:08 a.m. to review the draft DDR report.

The meeting reconvened at 10:20 a.m. to continue the discussion on the draft DDR report.

Board Member Moran questioned if the following statement refers to Bond Payments: "The Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Low and Moderate Income Housing Fund of the Successor Agency are sufficient to pay debt services payments" (Page 9, under Section iii). Mr. Hernandez informed the Oversight Board that there are no bond payments coming out of the affordable housing, however, any payments received from the first time home buyers and re-habilitation loans incurred would possibly be sufficient to pay debts the affordable housing may have.

Board Member Moran needed clarification on the description of real property and what purposes the real property is being used for as Exhibit 3, Summary of Low and Moderate Income Housing Fund Assets notes that Real property's asset is valued at \$1,173,675. Mr. Hernandez informed the Oversight Board that the Real property are Senior Housing sites. Vice Chair Ramirez further informed the Oversight Board that a Housing Assets list was sent to the Department of Finance which matches what was given to the auditors for the DDR.

Vice Chair Ramirez brought to the attention of the Oversight Board that on Pages 13 (Exhibit 3) and 14 (Exhibit 4), the word "rehabilitation" was misspelled.

In response to Chair Frank's question if the asset list had been submitted to the Department of Finance, Mr. Hernandez replied "yes" and further informed the Oversight Board that the asset list was detailed and the Successor Agency received a letter from the Department of Finance affirming satisfaction of the submittal, which Exhibit 3 of the DDR report is a summary of that submittal. In addition, the fixed assets, which included first time home buyer and rehabilitation loans, were not all paid on a monthly basis, but when a home is sold and/or a specific time frame comes across.

Vice Chair Ramirez stated that there were different types of loan agreements and explained that first time home buyers loans have provisions where money was paid back when the property is sold, and with single-family rehabilitation loans, when there is a sale or transfer the billed amount becomes due and are low interest loans. He further clarified, that to say, these loans are all monthly and up to date would not be an accurate statement and requires follow-up.

Chair Frank inquired for clarity if the Successor Agency is first position on the properties. Mr. Hernandez informed the Oversight Board that the Successor Agency was probably in second position because the amounts were given were not sufficient to buy the property but rather to make up the amount for the down payment. Board Member Moran expressed concern that the item is listed as an asset rather than a receivable asset. Mr. Hernandez informed the Oversight Board it is a receivable asset as it is owed to the City and will be collected as such and will go on for awhile due to some Senior Housing leases are in the neighborhood of 50+ years.

On motion by Chair Frank, by Common Consent, the Oversight Board opened the forum for public comment session pertaining to the DDR.

There were no members of the public to comment on the DDR.

On motion by Chair Frank, by Common Consent, the Oversight Board closed the forum for public comment session.

On motion of Vice Chair Ramirez, seconded by Board Member Arroyo, duly carried by the following vote, the Oversight Board adopted the "Resolution of the Oversight Board of the Successor Agency to the San Fernando Redevelopment Agency Acknowledging the Receipt of the review of the Low and Moderate Income Housing Fund Conducted Pursuant to Health and Safety Code Section 34179.5"; and instructed the Successor Agency to correct the misspelled word "rehabilitation" found on pages 13 (Exhibit 3) and 14 (Exhibit 4) of the Due Diligence Review report:

Ayes: 6 - Board Members Moran, J. Ramirez, Arroyo, Everett, Vice Chair Ramirez, and Chair Frank

Absent: 1 - Board Member Perez

Attachments: [Staff Report](#)
 [Due Diligence Review](#)
 [Resolution](#)

V. STAFF COMMUNICATION

3. Report by the Successor Agency on the sufficiency of cash flow. (12-4468)

Al Hernandez, City Administrator, made a verbal report and responded to questions posed by the Oversight Board. Mr. Hernandez informed the Oversight Board that by December 2012 and January 2013 the Successor Agency will be at a deficit of balance of \$178,414 resulting from ROPS 1 and ROPS 2 where monies were approved to pay off debts but there was not enough money to pay the obligations. The City of San Fernando fronted money to make payments that were due with the agreement to repay as funds become available. For example, in ROPS 3, the Successor Agency would be able to collect a little more money because Bond payments were not as large as they were in ROPS 2, giving the opportunity of receiving for payments.

Board Member Everett requested clarification if the reduce ROPS 3 payments mentioned are reflected in the Cash Flow presented before the Oversight Board. Mr. Hernandez confirmed that they are and referred the Oversight Board to the ending Cash Balance for the months of December 2012 and June 2013, the Successor Agency reflects the same deficit of \$178,414.

By Common Consent, there being no objection (Board Member Perez being absent) the Oversight Board accepted Mr. Hernandez' report.

Attachments: [Supporting Document](#)

VI. MISCELLANEOUS

4. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-4383)

No matters were presented.

5. Public Comment. (12-4384)

There was none.

6. Adjournment. (12-4385)

The meeting adjourned at 10:37 a.m. The next regular meeting is Thursday, October 11, 2012.